

Washington, D. C. 20505

15 September 1981

MEMORANDUM FOR: The Vice President
Secretary of State
Secretary of the Treasury
Secretary of Defense
Counsellor to the President
Director, Office of Management and Budget
United States Representative to the
United Nations
Chief of Staff to the President
Deputy Chief of Staff to the President
Chairman, Joint Chiefs of Staff
Assistant to the President for
National Security Affairs

SUBJECT: The Question of US Aid to Poland

There are two judgments in the Intelligence Community on US aid to Poland. One is that aid would tend to promote US interests by:

- Reinforcing Moscow's irresolution in facing up to the dilemma of either permitting the liberalization process to continue or resorting to repression.
- Helping prevent economic deprivation in Poland from frustrating liberalization.
- Helping to institutionalize Polish reforms.
- Strengthening US influence in the West by assuming a leadership posture favored by our allies.

The other judgment is that it is in our interest to limit aid to food and medical supplies.

- Food aid is visible, cannot be diverted, is more expressive of US generosity and Communist failure than money aid.
- The effect of US financial and credit aid would be to relieve the Soviet Union of the burden of the difficult domestic decisions necessary if the USSR were forced to bail out Poland financially.
- Other East European governments will use the Polish example to argue for additional Soviet aid, which would imply unpleasant economic choices for the USSR.
- Funds or credit provided to Poland could be used for purposes other than those intended by the US.

The attached memorandum sets out these contrasting views in more detail.

Attachment

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